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C O N F I D E N T I A L SECTION 01 OF 04 KATHMANDU 002340

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TAGS: [PREL](#) [EAID](#) [PTER](#) [NP](#) [UK](#)

SUBJECT: NEPAL: OTHER DONORS KEEPING A DISTANCE FROM US?

REF: A. KATHMANDU 2163 (NOTAL)
[B](#). KATHMANDU 2246 (NOTAL)
[C](#). KATHMANDU 2266 (NOTAL)
[D](#). KATHMANDU 2129 (NOTAL)

Classified By: AMB. MICHAEL E. MALINOWSKI. REASON: 1.5 (B,D).

SUMMARY

[1](#)1. (C) Summary: Following the delivery of increased USG security assistance last year, Maoist insurgents embarked on an anti-American propaganda campaign intended, in part, to isolate the U.S. diplomatically, discourage other donors from collaborating with us, and to incite Chinese and Indian concerns at U.S. "activism" in the region. Unfortunately, some Western donors in Nepal appear to be falling for the insurgents' propaganda by repeating some of it as factual elements of U.S. policy. In addition, some donor missions appear purposely to be excluding the U.S. from signing on to several recent joint statements espousing a peaceful resolution to the conflict and respect for human rights. Our notable absence from the list of signatories to such statements makes it appear that we, as the Maoists allege, do not uphold those principles. At the same time, Maoist rhetoric singling out our aid programs for "non-cooperation" increase other donors' reluctance to work with us and risk being similarly targeted. The Embassy plans to counter the misrepresentations about our policy and positions with a more aggressive public relations campaign and increased information exchanges with other donor missions. End summary.

MAOISTS MALIGNING US . . .

[1](#)2. (U) Since the USG began increasing its security assistance to the Government of Nepal (GON) last year, Maoist insurgents have steadily escalated anti-American propaganda in their public statements, on their websites and, apparently, in their communications to their cadres in the field. Among the most common charges are that the U.S. is frustrating the revolutionary aspirations of the Nepalis by propping up a feudalistic royal regime; that USG security assistance to the Royal Nepal Army (RNA) has militarized a formerly peaceful Nepali society and demonstrates our pursuit of a military solution to the insurgency; and that our involvement in Nepal is a thinly veiled pretext for more ambitious plans in the region, including the establishment of military bases and the destabilization of India and China. A broadsheet that appeared on the Maoists' English website on November 27, for example, alleged that "US imperialism is using the civil war to sell weapons and earn money" and accused the USG of hypocrisy in echoing the position of "some European countries" urging a negotiated settlement to the conflict while supplying the RNA with weapons and designating the Maoists as terrorists. "This is the extreme reactionary nature of imperialism that talks peace in words but performs acts of terror," the statement charged.

[1](#)3. (U) Recent Maoist rhetoric has unfavorably compared a purportedly bellicose U.S. stance with a more reasonable, accommodative approach the insurgents portray other multilateral and bilateral donors--most notably, the UN and EU--as adopting. The EU in particular comes in for frequent praise from the Maoists for its friendlier, more tolerant attitude toward the insurgents, in contrast to the allegedly "hostile" demeanor of the U.S. In practical terms, this has translated into the Maoists' singling out U.S.-sponsored aid programs for "non-cooperation" (Ref A). This message has reportedly filtered down to cadres at the grass-roots level (Ref C), with its most serious manifestation the November 17 threat against Peace Corps trainees in Rupandehi District (Ref B). (American tourists, a ready source of cash for Maoist extortionists, are apparently still welcome.)

. . . AND SOME DONORS CHIMING IN

[1](#)4. (SBU) While the Maoists' reasons for hoping to isolate

the U.S. diplomatically and undermine our aid programs are obvious, some of our donor colleagues are, wittingly or unwittingly, playing into the insurgents' strategy. Recent press reports in both the international and local English press quote high-minded but nonetheless anonymous "Western donors" or "international officials" depicting USG policy toward Nepal in terms startlingly similar to Maoist claptrap. An article by an Australian journalist in Time Asia magazine in September exaggerated the size and scope of U.S. military training to the RNA--a topic briefed only to UK Embassy staff in Kathmandu--and quoted an unnamed European diplomat as describing U.S. policy as "overextended" in Nepal and possibly backing the "losing side" against the Maoists. On October 16 the UK's Guardian published another story by an anonymous author described as "an official working with an international development agency in Nepal," claiming that the U.S. had adopted a more antagonistic policy against the Maoists than the UK and suggesting that the UK was therefore uncomfortable with being identified as our development partner.

15. (C) On November 17 the local Kathmandu Post published an interview with EU Charge Rudiger Wenk in which he was quoted as characterizing U.S. policy as "more or less belligerent." Wenk denied ever describing the U.S. in those terms and wrote a letter to the editor the same day to clarify. He acknowledged, however, speaking out against military support to either side, a position he claims was endorsed by the EU Parliament. (Comment: The EU resolution he sent to substantiate this, however, contained no such statement. We understand that the EU as an entity has never provided military assistance to any country, making Wenk's contention about the EU not providing security assistance to "either side" more than a bit disingenuous. End comment.) Wenk has attracted the criticism of politically conscious Nepalis and some European embassies here for his haste in opening a dialogue with the Maoists without clearance from either his EU colleagues or his ambassador in New Delhi. Wenk is a prominent exponent of the view in some European circles that talks with the Maoists are useful even in the absence of any evidence that the Maoists are serious about a negotiated peace or the re-institution of multi-party democracy. While proponents of this view do not deny the brutality of Maoist tactics, they nonetheless regard the US designation of the Maoists as terrorists as somehow confrontational. Corollary views are that the Maoists are a force to be accommodated, an understandable symptom of failings in Nepali society and politics, a modernizing purgative, or the inevitable wave of the future.

16. (SBU) On November 21 the English-language Nepali Times printed an article on pressure exerted by "donor governments led by Europeans" on the GON to restore democracy and move toward a negotiated settlement to the conflict. The article correctly reported the U.S. position--that military assistance may help bring the Maoists back to negotiations but that the conflict must ultimately be resolved politically--but said that "other Kathmandu-based donor groups" report a different perception of our policy. The article quoted an anonymous donor official as saying, "The Americans think an Iraq approach will work here. It hasn't worked in Iraq, and it won't work here." Also on November 21 the International Crisis Group (ICG), an NGO based in Belgium, submitted testimony to the House Human Rights Caucus that quoted anonymous "international officials in contact with ICG" as asserting that the "U.S. Embassy appears to have offered at least tacit support" for a controversial GON proposal to set up village militias--an assertion made without attempting to verify with us its accuracy. (In fact, we have not been briefed by the GON on this proposal, which we believe remains very much in the conceptual--even hypothetical--phase. Though we are suspending judgment until we have more information, our first inclination is to discourage such a program at this time.) The Nepali Times parroted a condensed version of the testimony in the local press on November 28.

LEFT OUT OF JOINT MISSIONS, STATEMENTS

17. (SBU) Besides incorrectly depicting us in their statements as isolated from the mainstream, some donors seem, unfortunately, to be attempting to isolate us in fact as well. The head of a U.S.-based NGO has reported reluctance on the part of other donors and aid agencies to cooperate with his organization in outlying areas. Another U.S.-based aid organization was blocked by other human rights NGOs from participating in a fact-finding mission formed to investigate the killings of four students at a school in Doti District (Ref D) because of its U.S. affiliation. An effort by our Public Diplomacy section to produce programs on U.S. aid success stories has encountered difficulty in finding NGOs that receive U.S. funding that are willing to be publicly identified with the USG.

18. (SBU) Nor has the U.S. Mission been invited to sign on

to several recent joint statements issued by donors about the conflict. On November 7 the local press carried a notice of "Basic Operating Guidelines" for development and humanitarian assistance signed by 10 bilateral donors (Germans, Swiss, Canadians, British, Danes, EU, Japanese, Norwegians, Dutch, and Finns)--every bilateral donor except the U.S. The 14 guidelines espoused such principles as respecting the dignity of local religions, culture, and customs; promoting pro-poor, non-partisan development; transparency; upholding human rights and international humanitarian law; and a commitment not to allow program equipment, supplies and facilities to be misused, including by "armed or uniformed personnel." British aid agency DFID officials here told us that they intended to invite USAID to sign on to the November 7 joint operating guidelines, but did not follow up an initial, half-hearted attempt to contact the Mission Director (who was out of the country at the time). Following the World Bank Board approval of the Poverty Reduction Support Credit (PRSC) to Nepal, assorted donor missions and embassies in Kathmandu issued a joint statement on November 19, calling for resumed negotiations with the Maoists and respect for human rights, and clarifying that their Executive Directors' approval should not be misinterpreted as "an endorsement of the current absence of representative democracy in Nepal." There was no apparent effort to contact the U.S. Embassy before the PRSC statement was issued.

WHAT WE ARE DOING

9. (SBU) Since increasing our security and development assistance to Nepal last year, we have maintained a regular dialogue with the diplomatic and donor community here, especially with the British, Indian, Japanese and (albeit on a less frequent basis) Chinese, regarding our policy to Nepal. Despite our best efforts, however, a number of misperceptions about our policy clearly persist among other donor agencies and the general public in Nepal. This is not only a diplomatic liability but may also encourage the Maoists to single out US assistance for intimidation. We will counter these misperceptions publicly--through an augmented PR campaign that reiterates and re-emphasizes our leadership in supporting free and fair elections, multi-party democracy, human rights, and a negotiated end to the conflict. Privately, we will increase and regularize our policy exchanges with counterparts in other embassies and with multilateral and bilateral donors. On December 1 in a meeting with UK Special Envoy Sir Jeffrey James, the Ambassador made note of the failure of some of the donors, including the UK's DFID, to seek the inclusion of the U.S. in past statements. James responded that the exclusion was "most unfortunate."

COMMENT

10. (C) The Maoists have been able to conduct a nationwide insurgency for nearly eight years in part because of their continued success in pitting their multiple adversaries against each other--and because of their adversaries' naivete in falling for the ploy time and again--thereby preventing the legal, constitutional forces from mounting a united, well-coordinated opposition to Maoist violence. The Maoists obviously are trying to apply this tried-and-true method to split the international community's potential opposition to their movement. Some of our colleagues in Kathmandu, unfortunately, seem all too willing to be taken in. The reasons for this may be several. Many of the foreign missions here are strictly development agencies, rather than full-fledged embassies, and are staffed by aid officials, rather than seasoned diplomats, who see complex foreign policy issues like the insurgency solely through a development lens. For such missions, working out a modus vivendi with the Maoists that will allow them to continue their programs may be a greater imperative than attempting to work out a long-term political solution to the conflict. Other missions, or individuals within those missions, may be venting their ire at U.S. policy in other parts of the world, perhaps particularly on Iraq. Whatever their motivation, these colleagues' willingness to accept the insurgents' propaganda--and thereby isolate us further--is helping perpetuate Maoist myths about our policy. By keeping us off joint public statements espousing human rights and dialogue and repeating Maoist untruths about our alleged support for a military solution, some of these donors are helping to depict us just as the Maoists are attempting to misrepresent us.